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June 7, 2006

Mr. Jeff S. Jordan  
Federal Election Commission  
999 E. Street, NW  
Washington, DC 20463

Re: MUR 5748

Dear Mr. Jordan:

I am submitting this letter on behalf of the WEB Water Development Association, Inc. (hereinafter referred to as WEB) and Curt Hohn in response to the Complaint dated May 19, 2006, from Bill Johnson of Stratford, South Dakota. In support of this response, I am enclosing herein Affidavits from Mr. Hohn, WEB vice chairman Paul Fischbach and former WEB directors Gary Gilbert and Arnold Schurr. I am also enclosing pertinent portions of the depositions of current WEB directors Orland Geigle and Mr. Fischbach, which depositions are referenced in Mr. Johnson's Complaint.

Mr. Johnson's Complaint is full of misstatements and unsubstantiated and untrue allegations. As you can see from the Affidavit of Mr. Hohn, Mr. Johnson has had a long and stormy relationship with the WEB Board and WEB employees. This letter will attempt to address the various allegations set forth in Mr. Johnson's letter in the same order as they appear in that letter.

The first paragraph of Mr. Johnson's Complaint states Mr. Hohn was paid his full salary of between \_\_\_\_\_ while he campaigned for the U.S. House of Representatives in 2000. Mr. Johnson is well aware of the fact Mr. Hohn's salary at that time was \_\_\_\_\_. That fact is set forth in Mr. Hohn's Affidavit and in the Amended Employment Agreement attached thereto. Mr. John was paid his full salary in 2000 and continued to manage WEB during that year.

The second paragraph of Mr. Johnson's Complaint states Mr. Hohn may have used some of WEB's money and facilities in his campaign. This is untrue. As set forth in Mr. Hohn's Affidavit and the testimony of Mr. Fischbach and Mr. Geigle, Hohn did not make use of any WEB funds and Hohn for Congress had its own campaign facilities.

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OFFICE OF THE CLERK  
WASHINGTON, DC 20463

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Paragraph 2 of Mr. Johnson's Complaint goes on to state that the current Board will not allow members of WEB access to Board records. As explained in Mr. Hohn's Affidavit, the Board does not have a general policy of refusing members access to records. The Board considers requests for access on an individual basis. Under South Dakota law, a member of a corporation has a right to inspect corporate books and records, but only for a "proper purpose." *See*, SDCL 47-24-2. WEB has taken the position that Mr. Johnson's continual requests for information and the use to which he puts the information he receives, demonstrates he does not have a proper purpose. Consequently, the Board has refused Mr. Johnson's request to be given full access to all of WEB's records. As indicated by Mr. Johnson, this issue is the subject of litigation currently pending in Brown County, South Dakota.

Paragraph 3 of Mr. Johnson's Complaint states Mr. Hohn spent six to ten months campaigning full time for Congress in 2000. As noted in Mr. Hohn's Affidavit, Mr. Hohn never campaigned full time. He was most heavily involved in campaigning during the period from August through November, but was never engaged in full-time campaigning. Although Mr. Hohn was away from the WEB office at times, he was in frequent daily contact with the office and was able to attend to his duties and do the work as needed seven days a week. Contrary to Mr. Johnson's statement, WEB did not subsidize Mr. Hohn's campaign.

Paragraph 4 of Mr. Johnson's Complaint references the depositions of Orland Geigle and Paul Fischbach taken in connection with the pending litigation in South Dakota. Copies of the portions of the Geigle and Fischbach depositions in which they were questioned concerning Mr. Hohn's campaign are enclosed. The relevant testimony is found on pages 38-43 of the Geigle deposition and pages 58-64 of the Fischbach deposition. With regard to Mr. Geigle's testimony, he stated he did not know how much time Mr. Hohn was away from the office because, as a Board member, he was not at the office every day. He was, however, aware of the fact Mr. Hohn was in contact with the office staff on a daily basis. (p. 38.) Geigle further testified that Hohn continued to be involved in the day-to-day operations of WEB. (pp. 40-41.) Geigle also testified Mr. Hohn did not make use of a WEB vehicle nor did WEB pay any of Hohn's campaign expenses to his knowledge. (p. 39.) He also stated WEB did not contribute financially to Mr. Hohn's campaign. (p. 43.) Finally, Geigle noted Mr. Hohn fully discussed his plans to run for Congress with the Board and that the Board gave him permission to continue as the general manager with the understanding he would continue to oversee the operation. (p. 40.)

Mr. Johnson claims Mr. Fischbach testified that Mr. Hohn was out of town campaigning a lot. Mr. Fischbach was not even a Board member at that time and testified he did not know how much time Mr. Hohn spent on the road campaigning in 2000. (pp. 58-59.) Mr. Fischbach was Mr. Hohn's campaign treasurer and was aware Hohn used his personal vehicle to campaign and had no knowledge of WEB paying any of Mr. Hohn's expenses. (p. 61.)

Paragraph 5 of Mr. Johnson's Complaint implies Mr. Hohn provided false financial information to the FEC. As noted in Mr. Hohn's Affidavit, this allegation is totally false. When asked how much money was spent on Mr. Hohn's campaign, Mr. Fischbach stated: "I think it

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was probably \$200,000 to \$250,000. (p. 62.) Mr. Fischbach had no access to records at the time the deposition was taken. He was being asked to recall things which had occurred six years earlier. It is not surprising he did not recall the exact amount spent on the campaign. Mr. Fischbach's Affidavit explains this situation.

Paragraph 6 of Mr. Johnson's Complaint raises questions about how the Board made its determination to continue to pay Mr. Hohn while he campaigned. There was, in fact, no official Board vote because no action was taken. As noted in the Affidavits of former Board chairman Arnold Schurr and Mr. Hohn, and the deposition of Mr. Geigle, the Board was fully aware of Mr. Hohn's plans and asked him to continue serving as the general manager while he campaigned. There was nothing improper about this. The Board minutes attached to Mr. Hohn's Affidavit establish Mr. Johnson attended a Board meeting and raised questions about Mr. Hohn's campaign. None of the Board members ever raised any objections to the quality of Hohn's work during the course of the campaign.

Paragraph 6 of Mr. Johnson's Complaint goes on to imply there was some sort of cover up because nothing about Mr. Hohn's campaign was mentioned in WEB's newsletter. As noted in Mr. Hohn's Affidavit, the fact he was campaigning and continued to serve as WEB's general manager was a well-known fact. It was a conscious decision on the part of the Board not to put anything in the newsletter because the Board did not want WEB members to believe the Board was trying to promote Mr. Hohn's campaign. Finally, Mr. Johnson notes that the Board has not allowed him or any other member to inspect the minutes of the Board meetings for the year 2000. The minutes from the July 20, 2000 meeting, which are attached to Mr. Hohn's Affidavit, were provided to Mr. Johnson's counsel in connection with the pending South Dakota litigation.

Paragraph 7 of Mr. Johnson's Complaint makes allegations against Mr. Schurr. Mr. Schurr's Affidavit responds to those allegations. He did not improperly use his influence with other Board members to force them to allow Mr. Hohn to continue serving as general manager. This same paragraph of Mr. Johnson's Complaint also makes allegations concerning a former Board member named Gary Gilbert. Contrary to Mr. Johnson's statement, Mr. Gilbert was not the vice-chairman of the Board in 2000. He was the secretary. Furthermore, as set forth in Mr. Gilbert's Affidavit, he did not appear in a televised campaign ad for Mr. Hohn. This is simply another example of Mr. Johnson's misstatement of facts.

In paragraph 8 of Mr. Johnson's Complaint, he opines that WEB was in violation of tax laws by continuing to pay Mr. Hohn. Significantly, Mr. Johnson does not cite any of the tax laws allegedly violated. He goes on to state that if a situation like this is allowed to occur, "it opens a loophole so wide that non-profits might be formed for the sole purpose of running political candidates for office." Presumably, if non-profit organizations were being formed merely to promote political campaigns, appropriate action would be taken by governing authorities. Obviously, this is not the situation with WEB. WEB has been in existence since 1982 for the purpose of running a rural water system. Is Mr. Johnson seriously contending that WEB's primary purpose was to promote Curt Hohn's run for Congress?

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Paragraph 9 of Mr. Johnson's Complaint makes reference to the Geigle and Fischbach depositions. The pertinent portions of those depositions are being provided to the FEC with this letter. A review of these transcripts reveals that Mr. Johnson mischaracterized the testimony of Geigle and Fischbach.

Finally, paragraph 10 of Mr. Johnson's Complaint asks the FEC to investigate. Such an investigation is totally unnecessary. Based on the information being provided in this letter and the material enclosed, it is quite clear neither WEB nor Mr. Hohn committed any violation of the law in connection with Mr. Hohn's 2000 campaign.

By virtue of the fact Mr. Johnson appeared at a WEB Board meeting in July 2000 to complain about Mr. Hohn's candidacy, he was well aware of the fact Mr. Hohn was continuing to receive his salary when he ran for Congress in 2000. Nevertheless, Mr. Johnson has waited nearly six years to file a Complaint with the FEC. If he was truly concerned about this situation, one would think his Complaint would have been filed in 2000 during the campaign. The fact he has waited six years is more evidence that Mr. Johnson is merely interested in making life difficult for WEB and Mr. Hohn as part of his 18 year vendetta.

It should be noted that any attempt to impose a civil fine, penalty or forfeiture upon Mr. Hohn or WEB would apparently be barred by the five year statute of limitations set forth in 28 U.S.C. § 2462, since Mr. Hohn's campaign ended on election day in November 2000. This statute has been held to apply to FEC actions for assessment or imposition of civil penalties under the Federal Election Campaign Act. *See, FEC v. Williams*, 104 F.3d 237 (9<sup>th</sup> Cir. 1996); *FEC v. National Right to Work Committee, Inc.*, 916 F. Supp. 10 (D.C. 1996); and *FEC v. National Republican Senatorial Committee*, 877 F. Supp. 15 (D.C. 1995).

Nevertheless, there is absolutely no basis for Mr. Johnson's Complaint. An issue similar to Mr. Johnson's Complaint was addressed by the FEC in Advisory Opinion 2006-13. In that case, a candidate for the U.S. House of Representatives sought an Advisory Opinion as to whether compensation paid to him by his law firm would constitute a contribution. The candidate, Dennis Spivack, did not intend to take a full leave of absence during his campaign, but expected to devote a considerable amount of time to the campaign and anticipated his productivity would not be as high as it had been in previous years. Relying upon the definition of contribution found in 2 U.S.C. § 431(8)(A)(i) and regulations found at 11 C.F.R. 100.52(a) and 11 C.F.R. 113.1(g)(6), the Commission ruled that the law firm's payment to Mr. Spivack would not be considered a contribution "so long as Mr. Spivack is compensated in accordance with the Firm's established compensation plan...." Advisory Opinion at p. 4.

In this case, Mr. Hohn was compensated under the provisions of his Amended Employment Agreement dated September 18, 1997, which is attached to his Affidavit as Exhibit A. There is absolutely no basis to conclude WEB's payment of Mr. Hohn's regular compensation to him constituted a contribution as that term has been defined by the Federal

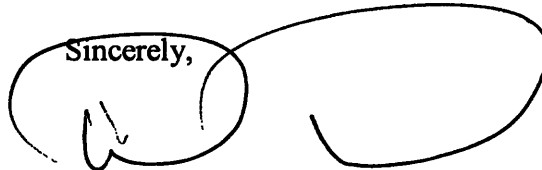
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Mr. Jeff S. Jordan  
June 7, 2006  
Page 5

Election Campaign Act of 1971. Further support for the proposition WEB's payment of Mr. Hohn's salary during his campaign was not an improper contribution is found in FEC Advisory Opinion 2004-8 in which a candidate for the U.S. House of Representatives was allowed to receive a severance package from his former employer.

It is clear there is no basis for Mr. Johnson's Complaint. It is simply another part of his ongoing vendetta to attack WEB and Mr. Hohn. His vindictiveness is evidenced by the documents he attached to his Complaint concerning Mr. Hohn's work history. These documents completely misrepresent the career and work record of Mr. Hohn, who is highly regarded by those with whom he has worked in both Oregon and South Dakota. What possible relevance do these documents have other than to continue Mr. Johnson's smear campaign against Mr. Hohn? This continued harassment should not be allowed to continue. We request the FEC to declare this to be a frivolous filing and close the case.

Sincerely,

A handwritten signature in black ink, appearing to be 'R. Rasmussen', enclosed within a large, loopy oval shape.

Reed Rasmussen  
of SIEGEL, BARNETT & SCHUTZ, L.L.P.  
[rrasmussen@sbslaw.net](mailto:rrasmussen@sbslaw.net)

RR:kds

Enclosures

pc w/encls.: Mr. Curt Hohn

26044144511

1 STATE OF SOUTH DAKOTA

IN CIRCUIT COURT

2 COUNTY OF BROWN

FIFTH JUDICIAL CIRCUIT

3

\* \* \* \* \*

4 BILL JOHNSON,

Civ. \_\_\_\_\_

5

Plaintiff,

6

vs.

7

WEB WATER DEVELOPMENT  
ASSOCIATION, INC.,

8

Defendant.

9

\* \* \* \* \*

10

11

12

D E P O S I T I O N

13

O F

14

ORLAND GIEGLE

15

April 27, 2006

16

2:30 o'clock, p.m.

17

18

19

Taken at:  
Offices of Siegel, Barnett & Schutz  
400 Capitol Building  
Aberdeen, South Dakota

21

22

Reporter: Tammy Erickson, RPR

23

24

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- 1 A. We meet every month.
- 2 Q. I think correspondence from your attorney to me
- 3 indicated that at the February meeting I believe, it may have
- 4 been the January meeting, this issue was going to be
- 5 considered?
- 6 A. Yes.
- 7 Q. Do you recall that?
- 8 A. I know that we talked about it, yes.
- 9 Q. But you don't recall as we sit here whether a
- 10 formal motion was made or a vote taken?
- 11 A. I do not recall.
- 12 Q. Okay.
- 13 A. I'd have to look at the minutes.
- 14 Q. Would you allow Bill to see those minutes from
- 15 that meeting?
- 16 A. I guess I would think that that could come as a
- 17 request to the board and we would consider it.
- 18 Q. Because your previous testimony was that
- 19 generally minutes are public record, board meetings are
- 20 public record?
- 21 A. And we look at those on a case by case basis.
- 22 Q. Well, so what would the difference be between a
- 23 meeting that was public and the minutes generated therefrom,
- 24 you know, why is that any different?
- 25 A. I said I'd personally have no problem with it I

- 1 other employee.
- 2 Q. And my understanding, there's health insurance?
- 3 A. There is health.
- 4 Q. There's a retirement plan?
- 5 A. Correct.
- 6 Q. He's also, I'm assuming, under same policy
- 7 regarding like vacation days and paid time off and sick days
- 8 I'm assuming?
- 9 A. Yes.
- 10 Q. I mean is it fair to say that his job is a
- 11 full-time employee basically, right?
- 12 A. Yes.
- 13 Q. I mean forty plus hours a week and I mean he
- 14 oversees the operation, is that right?
- 15 A. Correct.
- 16 Q. And then he reports to the board?
- 17 A. Correct.
- 18 Q. Is there a contract between him and the board?
- 19 A. Yes.
- 20 Q. I want to talk about Mr. Hohn's campaign in 2000
- 21 when he ran for congress. You were on the board at that
- 22 time, right?
- 23 A. Correct.
- 24 Q. During that time, and I think it was disclosed by
- 25 WEB, that Mr. Hohn continued to be paid his salary that year,

- 1 believe is what I testified earlier.
- 2 Q. Okay.
- 3 A. And I guess I personally would have no problem
- 4 with him looking at the minutes.
- 5 Q. Okay. I'm going to show you what's been marked
- 6 as Exhibit 19. As we've done throughout the day today, we're
- 7 not going to talk about the content of that exhibit because
- 8 it's very blurry, but I want to direct your attention to the
- 9 headline. The headline says something to the effect of
- 10 Johnson says action is not enough or something like that,
- 11 right?
- 12 A. Correct.
- 13 Q. And that was published, it's kind of blurry, but
- 14 I believe it was in February of '06?
- 15 A. February one it looks like.
- 16 Q. Of 2006?
- 17 A. Correct.
- 18 Q. So again remind me, what exactly was published in
- 19 the newsletter then following the initiation of this lawsuit?
- 20 A. Well, I guess in relation -- I guess in relation
- 21 to a request that was in the lawsuit, the WEB board did agree
- 22 to release Mr. Hohn's salary.
- 23 Q. Okay. Did the board also agree to release
- 24 information about his benefits?
- 25 A. No. His benefit package is the same as every

- 1 did he not?
- 2 A. Correct.
- 3 Q. And his benefits?
- 4 A. Yes.
- 5 Q. Describe for me how that year went in relation to
- 6 Mr. Hohn, you know, how much time did he spend campaigning,
- 7 how much was he away from the job?
- 8 A. Well, as just a board member and not someone who
- 9 was in the office every day, I couldn't, I guess, answer that
- 10 specifically. I do know that in talking with other managers
- 11 that -- or the office managers or office staff that he called
- 12 in daily, if not more than once a day. So I guess -- I don't
- 13 know. I mean how much time was he away, I can't answer that
- 14 specifically. How many days was he on the road and not in
- 15 the Aberdeen office, I can't answer that.
- 16 Q. Do you have any idea how much or if he used at
- 17 all like vacation time, personal time, that type of thing to
- 18 campaign?
- 19 A. I could not answer that. I'm not -- I don't
- 20 know.
- 21 Q. Would that be in, you know, payroll records or
- 22 something somewhere if those records were open for
- 23 inspection?
- 24 A. I would assume that that should be part of the
- 25 history.

1 Q Would you think also then that, you know, the  
2 days that he was out on the road, I mean would those things  
3 be in the records too do you know?

4 A. **I do not know.**

5 Q Okay I mean because to be honest, I didn't  
6 follow politics a lot in 2000, but I just know as a practical  
7 matter when you're campaigning you're on the road a lot, is  
8 that fair?

9 A. **Yes, I would say.**

10 Q. Do you recall him campaigning that year?

11 A. **Yes, yes.**

12 Q Was he traveling to communities all across the  
13 state campaigning?

14 A **Yes.**

15 Q. When he was doing that, was he -- let me back up.  
16 In his role as general manager, his position as general  
17 manager, my understanding is he's entitled to use a WEB  
18 vehicle for WEB business, is that right?

19 A **Correct.**

20 Q. Was he allowed to you use a WEB vehicle for  
21 campaign purposes?

22 A **To my knowledge, no.**

23 Q Did WEB help with any of his expenses while he  
24 was campaigning?

25 A. **No. And let me say to my knowledge, no.**

1 Q And again, that would be something that would be  
2 ferreted out by the records if that were in there?

3 A. **I would assume.**

4 Q Okay. And your testimony was that you don't know  
5 if he used overtime days or personal days, that type of  
6 thing?

7 A. **I do not know that.**

8 Q. Or if he exceeded those days when he was out  
9 campaigning?

10 A. **Well, I mean the WEB board -- I mean Curt had  
11 brought this to the WEB board, I'll use the word several  
12 months, I'm not going to remember specifically, before and  
13 said that he was interested in running for the position and  
14 we had discussed it a couple different times and gave him  
15 permission to continue on as general manager with the  
16 understanding that he would still oversee the operation. He  
17 might not be there every day, but he would oversee the  
18 operation, and so as far as exceeding days, I don't -- I  
19 don't believe that's an issue; vacation days, that sort of  
20 thing.**

21 Q. Why not, I mean would he need to -- pursuant to  
22 policy, would he have to use those days to campaign?

23 A **He was still involved in the day-to-day operation  
24 of the WEB organization.**

25 Q. While he was on the road?

1 A. **Yes.**

2 Q. Okay. In his contract, is he required to work a  
3 certain number of hours per week or you know, be physically  
4 on site for certain hours or anything like that?

5 A. **In all honesty, I would have to look at the  
6 contract. I don't remember.**

7 Q. Do you recall a time when Mr. Johnson attended a  
8 WEB board meeting and raised this issue about his campaign,  
9 about Mr. Hohn's campaign, he had some problems with it?

10 A. **Vaguely.**

11 Q. What's your vague recollection of that meeting?

12 A. **I guess -- and I guess in all honesty, I did see  
13 it and I reviewed -- I peripherally looked at some of the  
14 minutes today before I came in here. I didn't get a chance  
15 to look at all of them, but I did see the meeting that Mr.  
16 Johnson had been at and talked about that issue.**

17 Q. What did those minutes reflect?

18 A. **It said that he had raised that issue. There may  
19 have been another issue that he raised and that's about all  
20 the minutes reflected.**

21 MR. DOHRER: Reed, I guess I'd make a request for  
22 those minutes.

23 Q. (BY MR. DOHRER) At that meeting was there a vote  
24 or a motion to continue paying him his salary while he  
25 campaigned?

1 A. **I would have to go back and look. I don't  
2 remember.**

3 Q. Okay. And you don't recall from when you first  
4 read the minutes in preparation --

5 A. **I did not see that today.**

6 Q. Okay. Do you know of any WEB board members that  
7 helped Mr. Hohn campaign?

8 A. **Could you define that more specifically?**

9 Q. Well, my understanding is Paul Fischbach had  
10 something do with Mr. Hohn's campaign, did you know about  
11 that?

12 A. **I did not know Paul at the time when Curt ran for  
13 congress and Paul was not on our board at the time. I  
14 probably saw his name as treasurer of his campaign.**

15 Q. Sure. So I guess I misstated that. As it  
16 relates to Paul, he was not a board member during the  
17 campaign, right?

18 A. **Correct.**

19 Q. Were there any board members in 2000 that did  
20 assist with his campaign?

21 A. **How do you define assist?**

22 Q. In any way. Let's start with monetarily.

23 A **I guess campaign funds are public record. I  
24 don't know if any of them gave contributions to Mr. Hohn or  
25 not.**



- 1 Q. Did any board members, you know, volunteer in his  
2 office, campaign office?
- 3 A. **Not that I'm aware of.**
- 4 Q. Okay. Do you know of ads that ran in 2000,  
5 campaign ads, on television specifically?
- 6 A. **On television specifically, no, because where I  
7 live, we get very little South Dakota television, so...**
- 8 Q. Do you know, did WEB in any way contribute  
9 monetarily to Mr. Hohn's campaign outside of salary issues?
- 10 A. **As far as I know, no.**
- 11 Q. Was there ever any discussion or motion or vote  
12 by WEB, by the WEB board to contribute monetarily to Mr.  
13 Hohn's campaign?
- 14 A. **I would say no, that was something we would have  
15 never considered.**
- 16 Q. Okay. Of course these questions I've been asking  
17 you deal with expenditures of the board, right?
- 18 A. **Correct.**
- 19 Q. Does a WEB member as a general proposition, not  
20 specifically in this case, but as a general matter, does a  
21 WEB member have the right to know that information?
- 22 A. **Again, I guess it's -- you know, that's in our  
23 audit every year.**
- 24 Q. The audit's made public?
- 25 A. **The audits are public at our annual meeting.**

- 1 **Anyone can inspect them.**
- 2 Q. I'm assuming the audits aren't distributed among  
3 the membership though?
- 4 A. **No.**
- 5 Q. Or is it published in the newsletter or anything?
- 6 A. **We do a -- well, a summary of the audit I guess.  
7 We don't do everything that's in the full audit. It's a  
8 summary page or whatever you want to call it is in the annual  
9 report.**
- 10 Q. But the audit itself would be available at the  
11 meeting if a member wanted to see it?
- 12 A. **Yes.**
- 13 Q. I'm going to show you what's been marked as  
14 Exhibit 27. Do you recognize that document?
- 15 A. **Yes, this was the reply to Mr. Johnson.**
- 16 Q. Does your signature appear on the last page of  
17 Exhibit 27?
- 18 A. **Yes, it does.**
- 19 Q. Specifically on the first page of Exhibit 27, the  
20 board responded to Bill's request to see the contract between  
21 WEB and its manager so he can determine the salary and fringe  
22 benefits being paid, is that right, that was his request?
- 23 A. **His request was to see the contract, yes, yes.**
- 24 Q. All right. And in response, you disclosed or the  
25 board disclosed that Mr. Hohn was paid health insurance,

- 1 retirement, disability as any other employee would be paid?
- 2 A. **Correct.**
- 3 Q. At that time the board felt that an employee's  
4 compensation was confidential?
- 5 A. **Correct.**
- 6 Q. But we've talked about that's now changed given  
7 that the board released that information in 2006?
- 8 A. **Correct.**
- 9 Q. Okay. Question number two talks about or  
10 discusses Bill's request to see the meeting minutes when Mr.  
11 Hohn's salary was approved. The response says that the board  
12 does not see that as a valid purpose, right?
- 13 A. **Correct.**
- 14 Q. But as we talked about, you now believe or at  
15 least you personally believe that minutes are public record  
16 and he would have the right to see that, correct?
- 17 A. **That's my personal feeling, yes.**
- 18 Q. Okay. Same would be true for request number  
19 three and the response going into page two of Exhibit 27?
- 20 A. **Yeah. Yes, that's correct.**
- 21 Q. I'm going to direct your attention to, I guess it  
22 would be page three of Exhibit 27, the response to question  
23 eight. Specifically that second paragraph says that Bill has  
24 disrupted annual meetings by sending his son through the  
25 crowd and it goes onto say that he has slandered and libeled

- 1 members of the board and staff, do you see that?
- 2 A. **Yes.**
- 3 Q. My first question is, I want to talk about these  
4 meetings, I mean your annual meeting is held at the Ramkota  
5 convention center, is that right?
- 6 A. **Normally. We have -- one year we met out here at  
7 the Ramada, but normally it's been there.**
- 8 Q. But normally in a big convention type hall?
- 9 A. **Correct.**
- 10 Q. My understanding is four or five hundred people  
11 show up at these meetings?
- 12 A. **Yeah, normal.**
- 13 Q. And at these meetings members do have the right  
14 to ask questions or raise issues to be answered by the board,  
15 fair?
- 16 A. **Yeah, we've allowed discussion of a limited  
17 nature.**
- 18 Q. Sure. At these meetings are there microphones  
19 available for members to ask their questions?
- 20 A. **Generally.**
- 21 Q. In December of 2005 were there microphones  
22 available, which would have been about four months ago?
- 23 A. **I honestly don't remember.**
- 24 Q. Do you recall a member asking a question at the  
25 December 2005 meeting?

1 STATE OF SOUTH DAKOTA IN CIRCUIT COURT  
2 COUNTY OF BROWN FIFTH JUDICIAL CIRCUIT  
3  
4 \* \* \* \* \*  
5 BILL JOHNSON, \* Civ. \_\_\_\_  
6 \*  
7 Plaintiff, \*  
8 \*  
9 vs. \*  
10 \*  
11 WEB WATER DEVELOPMENT \*  
12 ASSOCIATION, INC., \*  
13 \*  
14 Defendant. \*  
15 \* \* \* \* \*

16  
17  
18  
19 D E P O S I T I O N  
20 O F

21 PAUL FISCHBACH

22 April 27, 2006

23 12:55 o'clock, p.m.

24  
25  
26 Taken at:  
27 Offices of Siegel, Barnett & Schutz  
28 400 Capitol Building  
29 Aberdeen, South Dakota

30 Reporter: Tammy Erickson, RPR

1 when we were in the process of trying to sign up Aberdeen as  
2 a customer. We ran some ads with some information, giving  
3 people information and naturally we had to pay for the  
4 advertising.

5 Q. Sure. You were a board member at that time?

6 A. Yes, I was.

7 Q. Was that advertising cost listed as an expense on  
8 the financial statements of the corporation or how did that  
9 appear?

10 A. Boy, I don't remember for sure. I know it was  
11 listed.

12 Q. If --

13 A. I'm not sure. I'd have to go back and look at  
14 the record.

15 Q. Okay. Yeah, I'm not holding it to you because  
16 obviously you don't have it in front of you, but if Bill were  
17 to testify that that expense was capitalized, would you know  
18 what that means?

19 A. Sure.

20 Q. What does that mean?

21 A. Well, it means that it was put on the books not  
22 as an expense, but it was -- I don't know how you say this,  
23 used up, you know, over the years. I mean --

24 Q. It's somewhat listed like an asset and then  
25 depreciated, right?

1 A. Yes.

2 Q. Okay. But again, it is specific what he's  
3 looking for though, right, in number four?

4 A. Yes, probably.

5 Q. Okay. In your opinion it's not a proper request,  
6 but it is clear what he's looking for?

7 A. Right.

8 Q. Okay. Sir, I'm going to show you what's been  
9 marked as Exhibit 19 and as with Mr. Rasmussen this morning,  
10 I'm not going to ask you about the content of that exhibit  
11 because it's pretty blurry, but I want to just direct your  
12 attention to the headline of that exhibit. That exhibit says  
13 something to the effect of Johnson says actions are not good  
14 enough, is that right?

15 A. Yes.

16 Q. That's in response to the board's decision to  
17 release in the newsletter Mr. Hohn's salary, is that right?

18 A. Yes, I think so. Without looking at the whole  
19 article again, yes.

20 Q. Right. Is that exhibit dated in February of '06?

21 A. Is it '06 or '05?

22 MR. RASMUSSEN: '06.

23 A. '06, okay.

24 Q. (BY MR. DOHRER) So you'd agree with that?

25 A. Yes.

1 A. Yeah.

2 Q. Is that fair?

3 A. I would think so, yeah.

4 Q. If that were done, would that be a proper way to  
5 handle an advertising cost?

6 A. I can't answer that.

7 MR. RASMUSSEN: I'm going to object, lack of  
8 foundation.

9 A. Because I don't have the record in front of me  
10 and I don't even remember how it was actually expensed out.

11 Q. Okay.

12 A. So I guess I wouldn't want to answer that.

13 Q. (BY MR. DOHRER) Okay. You haven't reviewed  
14 those financial statements to prepare?

15 A. No, I haven't.

16 Q. Okay.

17 A. It's been two, three years ago I believe.

18 Q. Okay. Are there any other requests from  
19 Exhibit 16 or 17 that you feel are not clear or concise?

20 A. Number four I think is out of line. I don't  
21 think that's a --

22 Q. Of which exhibit?

23 A. 17.

24 Q. Okay, and we've talked about that. In your  
25 opinion it's out of line as to those individuals?

1 Q. What exactly was published in the newspaper about  
2 Mr. Hohn's salary? Did I say newspaper, I apologize,  
3 newsletter.

4 A. I guess his salary and the benefits that he  
5 receives.

6 Q. Let's go back to the year 2000. I mean you  
7 understand that one of Bill's requests deals with Mr. Hohn's  
8 salary during his campaign, right?

9 A. Yes.

10 Q. You weren't a board member at that time?

11 A. No.

12 Q. But do you have knowledge of what went on during  
13 that period of time? I mean when I say period of time,  
14 during the time when Mr. Hohn was campaigning for congress?

15 A. Some, yes.

16 Q. What do you know about that as it relates to his  
17 compensation, his benefits, etc., while campaigning?

18 A. I didn't know anything about what the board had  
19 arranged with him for compensation or what their plans were  
20 or what they were doing, so...

21 Q. You didn't know that in 2000 you're saying,  
22 right?

23 A. Right.

24 Q. After you came on the board, did you become aware  
25 of what that arrangement was?

1 A. No.

2 Q. As you sit here today, do you have any idea what

3 it is or what it was at that time?

4 A. Only that he continued receiving his salary and

5 benefits.

6 Q. Do you have any idea how much time he was working

7 on WEB activities while campaigning?

8 A. No, because I wasn't with him every day.

9 Q. Okay. Did you assist or help in his campaign in

10 any way?

11 A. I was his treasurer, campaign treasurer.

12 Q. How often was he out on the road campaigning in

13 2000?

14 A. I couldn't tell you that. I know it was quite a

15 bit. I mean but I couldn't tell you that how many days or

16 anything like that.

17 Q. Sure. Let's do it this way. In a -- you know,

18 in a typical week, let's say as we got closer to the election

19 in 2000, how many days was he out on the road campaigning?

20 A. I couldn't answer that. I don't have any

21 recollection. I wasn't in the office every day or in his

22 campaign office or anything like that every day, so...

23 Q. He had a separate campaign office than his WEB

24 office I'm assuming?

25 A. Absolutely.

1 Q. He had staff, campaign staff?

2 A. Some volunteers and I don't remember if there was

3 paid staff or not. I don't know.

4 Q. Were you a volunteer or paid?

5 A. Yes, I was volunteer.

6 Q. Okay. I mean because it just seems to me in an

7 election, towards the end, I'm assuming he was doing a lot of

8 campaigning statewide, right?

9 A. I guess probably so, yes. I don't know.

10 Q. I mean --

11 A. I couldn't tell you.

12 Q. Did he travel statewide --

13 A. Yes.

14 Q. -- making campaign stops?

15 A. Sure.

16 Q. Speeches?

17 A. Sure, yes.

18 Q. Okay. So you would agree with me that that would

19 take away time from his duties as general manager at WEB?

20 A. I wasn't on the board at that time. I'm not

21 going to make a judgment there.

22 Q. Well, I understand. I'm just saying as a

23 practical matter though, if he's giving a campaign speech, he

24 certainly isn't, you know, negotiating a WEB contract or

25 doing WEB work at that point in time, is he?

1 A. You'd have to ask the older -- the other board

2 members. I don't know what they were doing -- what he was

3 doing when he was campaigning.

4 Q. Did you travel with him?

5 A. No. Maybe once or twice at the most.

6 Q. Did anybody travel with him that you know of?

7 A. Not that I know of.

8 Q. Okay. Do you know how he got to various campaign

9 locations transportation wise?

10 A. Using his own vehicle.

11 Q. You testified previously one of the benefits he

12 has is that he uses a WEB vehicle for WEB business, right?

13 A. Um-huh.

14 Q. Right?

15 A. Yes.

16 Q. Do you have any knowledge that he used the WEB

17 vehicle for campaign purposes?

18 A. No, I never saw him use it for any campaign

19 purposes.

20 Q. Do you have any knowledge that he or that WEB,

21 you know, paid some of his expenses while campaigning?

22 A. No.

23 Q. You don't have any knowledge or you don't think

24 they did?

25 A. They did not that I know of.

1 Q. Okay. How was his campaign financed?

2 A. Donations and personal funds.

3 Q. Do you have any idea how much he spent on his

4 campaign? Not personally, I'm saying counting donations and

5 personal contributions.

6 A. Is that relevant here?

7 MR. RASMUSSEN: Probably not, but if you know,

8 just answer the question.

9 A. I think it was probably two hundred to two

10 hundred fifty thousand dollars.

11 Q. (BY MR. DOHRER) Does WEB have any policy

12 concerning how to handle people that want to run for

13 political office?

14 A. I don't believe so.

15 Q. Okay. Is there some sort of a -- well, tell me

16 what the policy is about like vacation days, sick days,

17 whatever, for employees, what do they get each year?

18 A. I think it's two weeks.

19 Q. I'm assuming like --

20 A. If they've been there longer, it might be more.

21 I'm not sure. I'd have to go back to the policy book and...

22 Q. I was going to say, I'm assuming like with most

23 employers, if they don't use it, it may accumulate to a

24 certain number probably?

25 A. I think so.

1 Q. And the same would probably be true for sick and  
2 personal days?  
3 A. **Yes. It's the same thing for all employees.**  
4 Q. Okay. Which would include Mr. Hohn?  
5 A. **Yes.**  
6 Q. Do you know whether in the year 2000 he exceeded  
7 his accumulated vacation or sick time or personal time?  
8 A. **No, I don't know.**  
9 Q. Okay. Would that information be available in  
10 WEB's records anywhere?  
11 A. **I don't know.**  
12 Q. You've not personally ever looked at that issue?  
13 A. **No.**  
14 Q. Do you have any --  
15 A. **I wasn't on the board and I never questioned what**  
16 **the other directors in those days did.**  
17 Q. Do you know of anybody who has looked at that  
18 issue?  
19 A. **No, I don't.**  
20 Q. Okay. Was there a time since the campaign where  
21 Mr. Johnson attended a board meeting and raised his  
22 objections to this campaign situation that you recall?  
23 A. **I don't believe so.**  
24 Q. Do you know of any board vote or board action  
25 concerning Mr. Hohn's pay while he campaigned? And I

1 understand you weren't on the board at that time, but do you  
2 know of anything like that?  
3 A. **No, I do not.**  
4 Q. I'm just curious, you know, what would the  
5 board's position be, let's just hypothetically say a  
6 secretary wants to run for a state office, how would that be  
7 handled?  
8 MR. RASMUSSEN: I'm going to object as  
9 speculative. Answer if you can.  
10 A. **I have no idea. That would be a decision of the**  
11 **board, of the present board.**  
12 Q. (BY MR. DOHRER) Okay. Did you do any television  
13 ads for Mr. Hohn's campaign?  
14 A. **I don't believe so. I'm not sure on that. I**  
15 **don't remember.**  
16 Q. Did you appear in any, or I mean were you on T.V.  
17 for his campaign?  
18 A. **No.**  
19 Q. Do you know if campaign -- I'm assuming campaign  
20 ads ran on T.V.?  
21 A. **It wasn't very many. We didn't have much money.**  
22 Q. Okay. So by that response, I take that to mean  
23 that the campaign would have paid for anything that did  
24 happen, any ads?  
25 A. **Absolutely.**

1 Q. Okay. I mean in your mind, absent the history  
2 with Bill and everything that's gone on, is it appropriate  
3 for a member of WEB to have concerns like this and to raise  
4 these kind of concerns?  
5 A. **I would guess if a member did, but with the past**  
6 **history, we just seemed to have a problem there.**  
7 Q. I mean because that's kind --  
8 A. **We have never had any other member go to this**  
9 **extent.**  
10 Q. Sure. But if a member other than Bill had  
11 questions for example about the campaign, that would be a  
12 proper inquiry of that member, would it not?  
13 MR. RASMUSSEN: Objection, speculation.  
14 A. **Not to me it wouldn't. Maybe an old board**  
15 **member. To me it isn't because I wasn't on the board.**  
16 MR. DOHRER: Take a minute here. I'm assuming  
17 I'm almost done, so let me just talk to Bill for a second.  
18 MR. RASMUSSEN: Okay.  
19 (A break was taken.)  
20 Q. (BY MR. DOHRER) Sir, I'm going to show you  
21 what's been marked as Exhibit 24 and specifically I want to  
22 direct your attention to the last page of that document. I  
23 know you weren't on the board back in the '80s, but you  
24 testified earlier that your brother was, correct?  
25 A. **Yes, and I don't remember what years that was**

1 **either so...**  
2 Q. Okay. Do you know who the chairman of the board  
3 was at that time?  
4 A. **No, I don't.**  
5 Q. If I represent to you that it was Morris Kurle,  
6 would that refresh your memory?  
7 A. **I have no idea, no.**  
8 Q. Well, do you remember Morris Kurle being the  
9 chairman of the board at any point in time?  
10 A. **Oh, I believe so, yeah, but I don't know what**  
11 **time period it would have been.**  
12 Q. Was your brother Ed ever chairman of the board?  
13 A. **Yes, he was.**  
14 Q. When was that?  
15 A. **I'm not sure about that date either, those dates.**  
16 Q. Do you know, reference wise, if it would have  
17 been like -- well, do you know when Ed was on the board, what  
18 years approximately? I'm not going to hold you to anything,  
19 but just approximately?  
20 A. **No, I don't.**  
21 Q. I mean is it in the '80s, in the '90s?  
22 A. **Probably late '80s, early '90s maybe.**  
23 Q. Okay. That was when Ed was on the board?  
24 A. **I believe so.**  
25 Q. And he wasn't chairman initially, was he?

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF FEDERAL  
COUNSEL

IN RE COMPLAINT INVOLVING:

MUR: 5748

2006 JUN -8 P 1:41

CURT HOHN and WEB WATER  
DEVELOPMENT ASSOCIATION, INC.

AFFIDAVIT OF GARY GILBERT

STATE OF SOUTH DAKOTA )  
 )SS.  
COUNTY OF BEADLE )

Gary Gilbert, after being first duly sworn, hereby states and alleges as follows:

1. I am a former member of the Board of Directors of the WEB Water Development Association.
2. I have been advised Bill Johnson has made a claim that I appeared in a television ad for Curt Hohn when he ran for Congress in 2000. This is not true.
3. The only time I have appeared in a television ad in support of a political candidate was in 2004 when I appeared in an ad in support of Tom Daschle's campaign for the Senate.
4. I never appeared in any advertisements in support of Mr. Hohn's campaign for the U.S. House of Representatives in 2000.

Gary D. Gilbert  
Gary D. Gilbert

Subscribed and sworn to before me this June day of 7, 2006.

Mark D. Mulder  
Notary Public, South Dakota  
My Commission Expires: 11/06/06



26044144520

\* \* \* \* \*

IN RE COMPLAINT INVOLVING: \* MUR: 5748

CURT HOHN and WEB WATER \*  
DEVELOPMENT ASSOCIATION, INC. AFFIDAVIT OF CURT HOHN  
\*

\* \* \* \* \*

STATE OF SOUTH DAKOTA )  
 )SS.  
COUNTY OF BROWN )

Curt Hohn, after being first duly sworn, hereby states and alleges as follows:

1. I am the general manager of the WEB Water Development Association.
2. The WEB Water Development Association (hereinafter referred to as WEB) was incorporated in 1982. WEB operates a rural water system which serves farms and small towns in 17 counties located in South Dakota and North Dakota. WEB is run by a nine person Board of Directors which is elected from the various areas served by the water system.
3. I was hired as the first general manager of WEB and served in that capacity from January 1983 through November 1987.
4. Based on records of WEB which I have reviewed, Bill Johnson first became involved with WEB sometime in 1988 when he began making numerous requests for information.
5. Johnson's frequent requests for information and belligerent attitude toward WEB employees caused then general manager Willis Nelson and the WEB Board to adopt policies requiring Johnson to file written requests when he wanted to obtain information concerning WEB.
6. Johnson was elected to serve as a director of the WEB Board at the December 1988 annual meeting. Within a few days of his election, Johnson had a confrontation with a secretary at WEB involving the general manager's refusal to allow him to copy a tape recording from a meeting file. This resulted in law enforcement authorities being summoned to the WEB office and a request that Johnson leave the premises.
7. After the election of some new Board members in December 1989, Johnson became part of a majority that fired Mr. Nelson as the general manager. This action resulted in WEB, along with Johnson and other Board members who had voted in favor of Mr. Nelson's termination, being sued for wrongful termination. Nelson eventually was paid a large financial settlement.
8. After Mr. Nelson's termination, I was approached in early 1990 by Johnson and other members of the WEB Board to return as the general manager. I declined the job offer due, in

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large part, to the fact I did not believe I could effectively work with Mr. Johnson. Johnson had made it clear to me he wanted a number of changes made at WEB, including the termination of a large number of employees, and wanted to be able to dictate how the organization would be run. When Johnson became aware of the fact I did not want to return because of my concerns about working with him, he became angry with me and has been trying to undermine me ever since.

9. After I rejected the offer to return to WEB, the Board hired my former employee and the manager of another system, Anders Christianson, as the new general manager. Before actually beginning work, Mr. Christianson informed the Board chairman he was no longer interested in the position because of visits Mr. Johnson made to his home and his concerns about working with Johnson.

10. During Johnson's tenure on the Board, which lasted until 1994, he frequently became volatile and abusive to anyone who disagreed with him, including other directors, employees and customers.

11. While serving on the Board, Johnson was involved in an effort to remove another director, Dan Lemler. This resulted in a lawsuit against Johnson and the Board which eventually resulted in Mr. Lemler being restored to his position on the Board and the Board compensating Lemler for his attorney fees.

12. Johnson was removed from the Board by the eligible voters from Brown County at the 1994 annual meeting. He became very upset about his defeat and has been a frequent and vocal critic of WEB ever since.

13. Over the years, Johnson has written numerous letters to the editor critical of WEB and me. His letters became so abusive most newspapers in the area, including the Aberdeen American News, the largest paper in the area, stopped publishing his letters. Once that occurred, Johnson began buying ads in area publications which criticized WEB, its directors and employees.

14. Johnson has made numerous outlandish allegations against me. Some of those allegations are included in the "Detailed Job History of Curt Hohn" attached to his FEC Complaint, which history has been distributed by Johnson to news organizations and hundreds of other people. During the 2000 campaign, Johnson sent this job history to thousands of potential voters in an effort to discredit me. The job history prepared by Johnson contains a number of falsehoods and misstatements.

15. Johnson has taken steps to undermine WEB whenever he can. This has included opposition to WEB's efforts to sell water to ethanol plants and the City of Aberdeen. Several years ago, WEB was very close to entering into an agreement to provide water to Aberdeen which would have meant up to \$2 million a year in water sales for WEB and better water for the residents of Aberdeen. That agreement eventually fell apart, in part, due to interference and behind-the-scene activities of Mr. Johnson.

16. I returned to WEB as the general manager in 1997 and have served in that capacity ever since. WEB membership and water sales have grown during that time period.



17. When the WEB Board began discussing my possible return as general manager, Mr. Johnson made phone calls to people in the State of Oregon with whom I worked or was acquainted. I had moved to Oregon in 1989. Johnson took numerous steps to prevent me from returning as the WEB general manager. He made comments to me to the effect he was going to "destroy me."

18. Since my return as general manager, the Board has received numerous requests from Johnson for information. This has included requests for such things as the water bills of other WEB members. The Board has responded to a number of Johnson's requests, but the responses are never satisfactory. The Board has refused to allow Johnson to come to the WEB office and have unlimited access to all of WEB's records. This is what has prompted the current litigation to which Johnson refers in his Complaint. Contrary to the statement in Johnson's Complaint, the Board has not denied all WEB members access to records. Each request for records is considered on an individual basis by the Board and a determination is made as to whether the request is for a "proper purpose" as set forth in South Dakota law.

19. In the fall of 1999, I informed the WEB Board I was considering running for South Dakota's lone seat in the U.S. House of Representatives, and asked for their permission to do so. I offered to take a leave of absence, but the Board requested I remain as the general manager because of major ongoing projects.

20. Attached hereto as Exhibit A is a copy of my Amended Employment Agreement which was in effect in 2000. Under Section III of that Agreement, I was paid annually. Section IV of the Agreement set forth that I was not required to work during any particular hours but, instead, was required to devote the time necessary to conduct my duties.

21. During the year 2000, contrary to Mr. Johnson's allegations, I did not campaign full time. Campaigning in South Dakota, even for a statewide office, is not like campaigning in a large metropolitan area. Most political events occur on nights and weekends. I did minimal campaigning during the period from February through June leading up to the primary election. Although more campaigning was done leading up to the general election from August through November, I was still able to perform my job duties. I worked an average of more than 40 hours per week on WEB matters. When I was out of the office campaigning, I carried a cell phone with me and was in touch with the office an average of two to five times per day. I attended all of the Board meetings during the year 2000, with the exception of one meeting which I missed due to a family illness.

22. I did not conduct my campaign from WEB's offices. The Hohn for Congress Committee rented an office in downtown Aberdeen to serve as the base of my operations. The address of the office was listed on FEC reports and rent was paid from campaign funds.

23. WEB did not pay for any of my campaign expenses, nor did the Board subsidize my campaign in any way.

24. In his Complaint, Mr. Johnson implies that I falsified campaign financial reports. Mr. Johnson bases this allegation on the deposition testimony of my campaign treasurer, Paul Fischbach, that he believed \$200,000 to \$250,000 was spent on my campaign. It was our goal to

raise that amount of money but we did not meet that goal. Attached as Exhibits B and C are summaries of campaign receipts and disbursements for the years 1999 through 2002 as taken from the FEC's website. The numbers set forth on those documents are correct. My campaign raised \$131,505 in 2000 and 2001 and disbursed \$131,499.

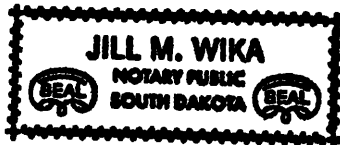
25. In his Complaint, Mr. Johnson states he attended a WEB Board meeting and asked the Board to vote on the issue of my continuing as WEB general manager while I ran for Congress. Mr. Johnson attended one WEB Board meeting where he raised a question regarding my campaign. The relevant portion of the minutes from that July 20, 2000 Board meeting are attached as Exhibit D. Contrary to Mr. Johnson's statement, it is my recollection he did not ask the Board to vote on this issue but, instead, voiced his objections and then left the meeting without listening to the response from Board members.

26. Mr. Johnson's Complaint mentions the fact nothing was published in the WEB newsletter concerning my candidacy. The fact that I was running for Congress and continuing as manager of WEB was well known, such information having appeared in associated press stories and local newspapers. There was nothing published in the WEB newsletter so as to avoid the perception or any appearance WEB was promoting my candidacy.

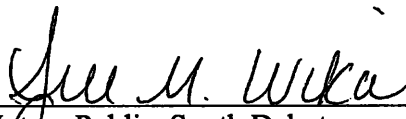
27. Mr. Johnson's FEC Complaint is simply a continuation of his long standing 18-year effort to do all he can to discredit the WEB water system, WEB Board and me. It is requested the Commission close this file.

  
Curt Hohn

Subscribed and sworn to before me this 6<sup>th</sup> day of June, 2006.



(Notarial Seal)

  
Notary Public, South Dakota  
My Commission Expires: 10-26-2010

## AMENDED EMPLOYMENT AGREEMENT

THIS AGREEMENT made and entered into this 18th day of September, 1997, by and between WEB Water Development Association, Inc., hereinafter called "Employer" or "the corporation" and Curt M. Hohn, hereinafter called "Manager", both of Aberdeen, South Dakota,

WITNESSETH:

WHEREAS, Employer has appointed Curt M. Hohn as Manager of WEB Water Development Association, Inc.; and

WHEREAS, Employment Contracts are designed to benefit both the Employer and the Employee; and

WHEREAS, Employer and Manager has previously executed a written contract of employment which set forth the basic provisions of Manager's hiring and salary; and

WHEREAS, it is the desire of Employer and Manager:

1. To provide certain further benefits, establish certain further terms and conditions of employment; and
1. To Secure and retain the services of Manager, and to provide inducement for him to remain in such employment;
2. To make possible full work productivity by assuring Manager's morale, and peace of mind with respect to future security;
3. To act as a deterrent against malfeasance or dishonesty for personal gain on the part of Manager; and,
4. To provide a just means for the termination of Manager's employment at such time as he may be unable to fully discharge his duties; or for malfeasance; or for cause; or when Manager may desire to otherwise terminate his employment.

NOW, THEREFORE, in consideration of mutual covenants herein contained, the parties hereto agree as follows:

### SECTION I

#### DUTIES

Curt M. Hohn, Manager, shall perform the functions and duties as Manager of WEB Water Development Association, Inc. and, in general, shall supervise and control all the business and affairs of the corporation, subject to the control of the Directors. He may sign, with another designated person thereunto authorized by the Director, any deeds, mortgages, bonds, contracts or other instru-

EXHIBIT

A

26044144525

SECTION IX

INTEGRATION AND AMENDMENT

A. This Agreement (together with such prior agreements as this instrument may amend) contains the entire agreement of the parties. No amendment or modification hereof shall be effective unless reduced to writing and executed by the parties.

B. Should any portion hereof be determined to be invalid or unenforceable, such determination shall in nowise affect the remainder hereof, which shall continue in full force and effect.

Dated this 18 day of September, 1997.

WEB WATER DEVELOPMENT ASSOCIATION, INC.

By: Daniel Lemler  
Daniel Lemler, Chairman

and

By: Gary Gilbert  
Gary Gilbert, Secretary

Manager:

Curt M. Hohn  
Curt M. Hohn

Deirdre Auel  
9-18-97

My Commission Expires 12-20-2001

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## **SECTION VI**

### **FRINGE BENEFITS**

Employer shall pay into a Simplified Employee Pension (or equivalent) program, on behalf of Manager, a rate in accordance with personnel rules applicable to all other employees of the corporation.

## **SECTION VII**

### **TERMINATION AND SEVERANCE PAY**

A. In the event Manager's employment is terminated by Employer when Manager is willing and able to perform the duties of Manager, Employer shall pay to Manager an amount equal to one year's aggregate salary, including, but not limited to, accrued vacation, sick leave and insurance. Said severance pay shall be in a single lump-sum cash payment. In the event Manager is terminated due to conviction of any illegal act involving personal gain to Manager, or due to Manager's breach of this Agreement, no severance pay shall be due or owing.

B. In the event Manager's employment is terminated by Employer for cause (as set forth in the corporation's Employee Personnel Manual applicable to all other employees), no severance pay shall be due or owing; provided, however, that if Manager is terminated for cause and a court of competent jurisdiction thereafter determines there was no cause, Manager shall be entitled to the severance pay described above, and Employer shall also reimburse to Manager his attorney's fees and costs incurred in connection with such legal action.

C. In the event Manager voluntarily resigns his position when this Agreement is in effect, no severance pay shall be due or owing; and in the event Manager voluntarily resigns his position when this Agreement is in effect, Manager shall give Employer prior written notice thereof not less than one month prior thereto. Should Manager fail to give such notice, Manager shall pay to Employer a sum equal to one-half (1/2) of one month's salary.

## **SECTION VIII**

### **OTHER TERMS AND CONDITIONS OF EMPLOYMENT**

A. Terms and conditions of employment as set forth herein may from time to time be amended by written agreement of the parties.

B. All provisions of Employer's Bylaws, rules and regulations, including the Employee Personnel Manual, shall apply to Employee except as otherwise provided herein or otherwise agreed in writing by Manager and Employer.

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ments which the Board of Director have authorized to be executed except in cases where signing and execution thereof shall be expressly delegated by the Directors or by the Bylaws or Articles of Incorporation to some other person or agent of the corporation, or shall be required by law to be otherwise signed or executed

## **SECTION II**

### **TERM**

A. The term of this Agreement is three and one-half years, commencing September 1, 1997, and ending at the expiration of the aforesaid three and one-half years, unless earlier terminated as hereinafter provided, whichever occurs first.

B. Nothing herein shall prevent, limit, or otherwise interfere with the right of Employer to terminate the services of Manager at any time, subject only to the provisions set forth in Section VII, Paragraphs A and B, hereof.

C. Nothing herein shall prevent, limit, or otherwise interfere with the right of Manager to resign from his position with Employer subject only to the provision set forth in Section VII, Paragraph C, hereof.

## **SECTION III**

### **SALARY**

Manager's salary shall be Eight-four Thousand Dollars (\$84,000) annually, plus family medical coverage and retirement, beginning September 1, 1997, and shall be payable in bi-weekly installments.

## **SECTION IV**

### **HOURS OF WORK**

Both parties recognize that Manager must devote to the business of Employer substantial amounts of time outside the ordinary hours of business, and, to that end, Manager's working hours are not restricted to normal office or business hours; provided, however, that nothing in this section shall be construed to permit inattention to Manager's responsibilities.

## **SECTION V**

### **VACATION AND SICK LEAVE**

Manager shall accrue vacation leave and sick leave at a rate, and in accordance with, personnel rules applicable to all other employees of the corporation

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# Presented by the Federal Election Commission - 1999-2000 Cycle

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## Candidates that match specified criteria:

**Note:** Receipts and disbursements (DISB) do not include transfers among committees within the same campaign. Click on the candidate's name to see more detailed financial information.

CANDIDATE NAME	DIST	NET RECEIPTS	NET DISB	CASH	DEBT	THROUGH
<b>South Dakota</b>						
<a href="#">BERKHOUT, JAN ISSAYE</a>	<a href="#">0</a>	\$0	\$0	\$0	\$27,935	07/01/1999
<a href="#">HOHN, CURTIS M</a>	<a href="#">0</a>	\$121,790	\$119,538	\$2,247	\$17,600	12/31/2000
<a href="#">MOSER, JEFFERY RICHARD</a>	<a href="#">0</a>	\$2,312	\$2,323	\$310	\$1,434	06/30/1999
<a href="#">THUNE, JOHN R</a>	<a href="#">0</a>	\$1,221,843	\$953,757	\$482,917	\$0	12/31/2000
<a href="#">WIECZOREK, RONALD LEE</a>	<a href="#">0</a>	\$1,060	\$1,171	\$0	\$0	12/31/1999
<a href="#">SANDVEN, STEVEN DANIEL</a>	<a href="#">1</a>	\$6,445	\$4,012	\$2,432	\$0	05/17/2000
<a href="#">WEILAND, RICHARD PAUL</a>	<a href="#">1</a>	\$320	\$755	\$181	\$5,814	12/31/2000

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EXHIBIT

B

# Presented by the Federal Election Commission - 2001-2002 Cycle

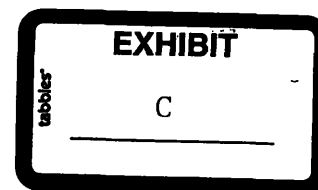
TRY A: [NEW SEARCH](#)    RETURN TO: [FEC HOME PAGE](#)

## Candidates that match specified criteria:

**Note:** Receipts and disbursements (DISB) do not include transfers among committees within the same campaign. Click on the candidate's name to see more detailed financial information.

CANDIDATE NAME	DIST	NET RECEIPTS	NET DISB	CASH	DEBT	THROUGH
<b>South Dakota</b>						
<a href="#">HOHN, CURTIS M</a>	<a href="#">0</a>	\$9,715	\$11,961	\$0	\$0	12/31/2001
<a href="#">THUNE, JOHN R</a>	<a href="#">0</a>	\$5,514,226	\$5,989,043	\$7,716	\$0	12/31/2002
<a href="#">AMDAHL, TIMOTHY H</a>	<a href="#">1</a>	\$32,912	\$32,818	\$91	\$3,051	12/31/2002
<a href="#">BUTLER, RICHARD D</a>	<a href="#">1</a>	\$33,895	\$33,892	\$0	\$0	05/15/2002
<a href="#">CASEY, RICHARD D</a>	<a href="#">1</a>	\$196,279	\$190,233	\$5,421	\$32,227	12/31/2002
<a href="#">DIEDRICH, LARRY WILLIAM</a>	<a href="#">1</a>	\$94,001	\$56,743	\$37,255	\$0	12/31/2002
<a href="#">HERSETH, STEPHANIE M</a>	<a href="#">1</a>	\$1,523,829	\$1,511,189	\$12,635	\$0	12/31/2002
<a href="#">HUNT, ROGER WAYNE</a>	<a href="#">1</a>	\$55,878	\$55,701	\$175	\$10,090	12/31/2002
<a href="#">JANKLOW, WILLIAM J</a>	<a href="#">1</a>	\$1,325,469	\$1,314,087	\$11,382	\$27,215	12/31/2002
<a href="#">PIERSON, DENNY</a>	<a href="#">1</a>	\$20,686	\$19,001	\$1,684	\$4,375	06/30/2002
<a href="#">PRESSLER, LARRY</a>	<a href="#">1</a>	\$234,904	\$234,902	\$0	\$0	12/31/2002
<a href="#">SANDVEN, STEVEN DANIEL</a>	<a href="#">1</a>	\$0	\$0	\$0	\$0	12/31/2002
<a href="#">WEILAND, RICHARD PAUL</a>	<a href="#">1</a>	\$475,217	\$536,855	\$834	\$22,620	12/31/2002

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**BOARD APPROVED  
AUGUST 17, 2000**

**MINUTES**

**WEB WATER DEVELOPMENT ASSOCIATION, INC.  
BOARD OF DIRECTORS  
ABERDEEN, SOUTH DAKOTA  
JULY 20, 2000**

The Regular Monthly Board Meeting of the WEB Board of Directors was held Thursday, July 20 at the WEB office in Aberdeen, South Dakota. The Business meeting started at 1:00 P.M.

**Directors Present:**

Arnold Schurr, Chairman; Roscoe  
Gary Gilbert, Vice-Chairman; Carpenter  
Brett Anderson, Secretary; Groton  
Milbert Neuharth, Treasurer; Eureka  
Donna Seaton, Aberdeen  
Sheila Frey, Mobridge  
James Hendrickson, Roslyn  
Orland Geigle, Pollock

**Directors Absent:**

Jim Moehring, Redfield

**Staff Present:**

Curt Hohn, Manager  
Tom Tollefson, WTP Supt.  
George Piper, Administrative Analysis  
Dennis Arend, Operations Manager  
Christy Richards, Administrative Assistant

**Members and Public Present, Address, County and Representing:**

Bill Johnson, Stratford, SD; Brown County; Self  
Daryl Thorpe; Aberdeen, SD; Self  
Scott Waltman, Aberdeen, SD; Aberdeen American News

**EXHIBIT**

**D**

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### **MOTION TO APPROVE AGENDA**

Chairman Schurr called for a motion to approve the agenda as presented. The motion was called to approve the agenda as amended with all directors voting Aye.

Director Hendrickson: "I move to approve the agenda as amended." Director Gilbert seconded the motion.

Directors Voting 'Aye' – Anderson, Neuharth, Gilbert, Hendrickson, Seaton, Frey, Geigle and Schurr.

Directors Absent – Moehring. Motion carried.

### **APPROVAL OF MINUTES**

Chairman Schurr called for a motion to approve the June 15, 2000 Board Meeting minutes as printed and presented to Directors in advance of the meeting.

Director Gilbert: "I move to approve the June 15th, 2000 Board Meeting **Minutes as corrected.**" Director Neuharth seconded the motion.

Directors Voting 'Aye' – Anderson, Neuharth, Gilbert, Hendrickson, Seaton, Frey, Geigle and Schurr.

Directors Absent – Moehring. Motion carried.

### **COMMENTS FROM THE MEMBERSHIP AND PUBLIC**

Bill Johnson, Stratford, presented comments on different topics including WEB policy on tape recordings of Board Meetings and a previous bidding contract that WEB was involved in. Manager Hohn responded to several of his questions. Mr. Johnson questioned Manager Hohn's continuing to run WEB and run for Congress and several Board members stated WEB was running well and expressed their support for the manager.

Daryl Thorpe, Aberdeen, gave his update on his development of the west side of Elm Lake. He discussed the possibility of having WEB provide water to his seasonal cabins along Elm Lake.

### **MEMBERSHIP CHANGES**

Director Gilbert: "I move to approve membership changes and new hookups as presented provided all written documents are received by the manager and found to be in order." Director Geigle seconded the motion.

Directors Voting 'Aye' – Anderson, Neuharth, Gilbert, Hendrickson, Seaton, Frey, Geigle and Schurr. Motion carried.

Directors Absent-Moehring. Motion carried.

Approved were: 25 new hookups, 0 reconnects, 15 membership changes, 1 renter with deposit, 5 renters with deposit waived, 10 back to owners, 2 classification changes and 5 disconnects.

### **ADJORNMENT**

Director Hendrickson: "I move the meeting be adjourned." Director Neuharth seconded the motion with all Directors voting "Aye".

The meeting was adjourned at 6:00 P.M.

  
Brett Anderson, Secretary

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

\* \* \* \* \*

IN RE COMPLAINT INVOLVING:

\* MUR: 5748

2006 JUN -8 P 1:41

CURT HOHN and WEB WATER  
DEVELOPMENT ASSOCIATION, INC.

\*  
\*  
\*

AFFIDAVIT OF PAUL FISCHBACH

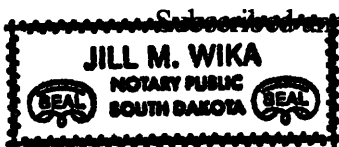
\* \* \* \* \*

STATE OF SOUTH DAKOTA     )  
  )SS.  
COUNTY OF BROWN            )

Paul Fischbach, after being first duly sworn, hereby states and alleges as follows:

1. I am the current vice-chairman of the WEB Water Development Association's Board of Directors.
2. In 2000, I served as the treasurer for Curt Hohn during his campaign to serve in Congress. I was not a member of the WEB Board at that time.
3. My deposition was taken in connection with Bill Johnson's pending lawsuit against WEB on April 27, 2006.
4. During that deposition, I was asked how much money was spent on Mr. Hohn's campaign. Having not reviewed any record concerning the campaign for several years, I gave my best estimate as being somewhere between \$200,000 and \$250,000.
5. Since my deposition, I have had an opportunity to review information which was submitted to the FEC concerning Mr. Hohn's finances. My review of that information has proved to me my deposition testimony was in error. In fact, Mr. Hohn's campaign expenditures were only approximately \$131,500.
6. I am confident the financial information submitted by Mr. Hohn's campaign to the FEC was correct and that the true amount of expenditures are reflected in those documents.

Paul Fischbach  
Paul Fischbach



(Notarial Seal)

Subscribed and sworn to before me this 17<sup>th</sup> day of June, 2006.

Jill M. Wika  
Notary Public, South Dakota  
My Commission Expires: 10-26-2010

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

\* \* \* \* \*

IN RE COMPLAINT INVOLVING: \* MUR: 5748

2006 JUN -8 P 1:41

CURT HOHN and WEB WATER  
DEVELOPMENT ASSOCIATION, INC.

AFFIDAVIT OF ARNOLD SCHURR

\* \* \* \* \*


STATE OF SOUTH DAKOTA )  
 )SS.  
COUNTY OF BROWN )

Arnold Schurr, after being first duly sworn, hereby states and alleges as follows:

1. I served as the chairman of the WEB Water Development Association's Board of Directors in 2000 when Curt Hohn ran for Congress.
2. Prior to announcing his candidacy, Curt Hohn advised the Board of his intentions and offered to take a leave of absence.
3. The WEB Board, which consisted of both Republicans and Democrats, requested that Mr. Hohn continue to serve as the general manager of WEB during the campaign.
4. During the course of the campaign, none of the WEB Directors expressed any concerns regarding Mr. Hohn's activities. The water system continued to be operated in an effective and efficient manner during the year 2000.
5. The WEB Water Development Association did not pay for any of Mr. Hohn's campaign expenses nor did it subsidize his campaign in any way.
6. I deny that I improperly used by position as the WEB chairman to influence other Board members to continue paying Mr. Hohn's salary when he ran for Congress.

  
Arnold Schurr

Subscribed and sworn to before me this 6<sup>th</sup> day of June, 2006.

  
Notary Public, South Dakota  
My Commission Expires: Oct 11 2006

(Notarial Seal)

